



Request for Proposal
Endowment Management
for
Lower Columbia College Foundation

RFP Release Date: August 3, 2015

RFP Submittal Deadline: September 4, 2015

5:00 PM PST

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**REQUEST FOR PROPOSAL
ENDOWMENT MANAGEMENT FOR
LOWER COLUMBIA COLLEGE FOUNDATION**

I. INTRODUCTION

Lower Columbia College Foundation is requesting proposals from qualified investment consultant firms to provide services as described herein. The selected consultant firm's objective will be to assist the Lower Columbia College Foundation Board of Directors and staff in developing and carrying out investment policies that are designed to ensure that sufficient assets are available to meet current and future benefit obligations, as well as endowment management to ensure annual returns are sufficient to assist in funding current college initiatives.

Lower Columbia College Foundation is soliciting proposals from investment consultant firms who can provide:

- Broad investment expertise;
- Access to asset classes or specialty areas relating to investments which would otherwise not be available; and
- A full-range of investment services.

Criteria for manager shall include:

- All management fees will be inclusive;
- No upfront or custodial fees will be charged; and
- No cost will be incurred to move between fund managers.

II. BACKGROUND

Established in 1934, Lower Columbia College is one of the oldest community colleges in the state of Washington. The college educates about 5,000 students each quarter and celebrated its largest graduating class in 2012 – awarding 617 Associate in Arts degrees. Recognized for its excellence in nursing, workforce training, academic preparation and athletics, Lower Columbia College serves not only as the educational center for Cowlitz and Wahkiakum Counties, but for the entire Southwest Washington region (including Lewis, Grays Harbor and Pacific Counties).

The Lower Columbia College Foundation was established in 1976 and exists solely for charitable and educational purposes. By securing private funds to supplement the college's traditional revenue sources, the Foundation works to support the college's educational programs and services and to enhance the college's institutional strategic goals.

A not-for-profit, independent 501(c)(3) corporation, the Foundation is governed by a Board of Directors composed of community leaders and alumni who participate in and oversee the Foundation's philanthropic activities, which are designed to produce a positive and beneficial impact upon the college, its students, and the greater community.

As of June 30, 2015, investment assets totaled \$13,931,643 and were allocated as follows:

60% Equity

40% Fixed Income

III. SCOPE OF SERVICES

Lower Columbia College Foundation is seeking investment consultant services to oversee and execute the selection, monitoring, and evaluation of its investment programs and investment managers. The Foundation will continue to fulfill its fiduciary responsibilities in setting policy regarding the endowment and the investment allocation schedule, as well as the spending rate.

The Foundation realizes that to obtain the best investment return with the least amount of risk requires extensive expertise due to today's complex markets and timing. Therefore, the Foundation seeks services which will include, but are not limited to the following:

- Investment Policy and Procedures – reviewing investment-related policies and procedures and making appropriate recommendations for changes.
- Portfolio Analysis – reviewing asset allocations and structures and making recommendations for appropriate changes.
- Reporting – provide monthly flash reports and quarterly performance reports, including but not limited to, performance data and analysis for the total fund, individual assets classes; detailed analysis, including return attribution analysis, portfolio characteristics, style and risk analysis, peer universe comparisons; and holdings analysis relative to benchmarks.
- Manager Research and Analysis – to manage the selection, retention, and dismissal of investment managers, performing the necessary due diligence and providing summary reporting.
- Research – to perform the necessary due diligence on investment markets to ensure optimal performance, including monitoring, rebalancing and reporting.
- Training, Development and Reporting – to provide annual introduction to endowment management for new Board and/or Committee members, as well as quarterly reporting to the Foundation's Finance Committee and annual reporting to the Board of Directors in person, if requested.

IV. PROPOSAL SPECIFICATIONS

A. Response Deadline

Completed Responses must be delivered by **September 4, 2015, 5:00 p.m. PST**. Any response delivered after the Response Deadline will not be considered. Faxed transmissions are not acceptable. An unbound original and five copies of the Response are to be sent to:

**Lower Columbia College Foundation
Erin Zeiger, Executive Director
1600 Maple Street
Longview, WA 98632**

The questions and/or requests made in this RFP shall be duplicated in their entirety in the Response with each question and/or request repeated before the answer or response.

The Response must be accompanied by a cover letter that shall be signed by at least one individual who is authorized to bind the firm contractually. The cover letter must include: a.) the name, address, E-mail address and telephone/fax numbers; b.) the client contact; c.) the title or position which the signer of the cover letter holds in the firm; and d) a statement to the effect that the Response is a firm and irrevocable offer of the firm.

The Representations and Warranties contained in Section VIII of this RFP, signed by an authorized officer of the firm, must be included as an attachment to the cover letter previously referenced.

B. Communications with Lower Columbia College Foundation

Firms which intend to submit a Response should not contact any member of the Lower Columbia College Foundation Board or Staff, or any member of the Lower Columbia College Board of Trustees, faculty or staff. An exception applies to any firm currently doing business with Lower Columbia College Foundation, but any contact should be limited to that business, and should not relate to this RFP.

C. Questions Relating to this RFP

All questions concerning this RFP must be received in writing via email, mail or FAX at the same address in Section A by **August 21, 2015 at 5:00 p.m. PST**. The Lower Columbia College Foundation FAX line to submit questions is 360-442-2129. Emails should be directed to ezeiger@lowercolumbia.edu. Please confirm that any FAX sent was received by calling Erin Zeiger 360-442-2131. Questions submitted after the deadline will not be considered.

V. SELECTION PROCESS

A. Non-Qualifying Responses

Lower Columbia College Foundation will evaluate each Response to determine if it was submitted in accordance with the requirements set forth in this RFP, including whether the proposing firm meets the minimum criteria. All non-qualifying Responses not subject to the waiver/cure of minor information will be rejected at this time and the responding firm so notified.

B. Selection of Investment Consultant Firm

Staff will evaluate all Responses having met established criteria. Based upon this review, Staff will present the Responses most closely meeting the requirements of the RFP to the Finance Committee of the Lower Columbia College Foundation. The Finance Committee will invite chosen candidate firms to make a presentation in Longview, WA. Lower Columbia College Foundation may conduct due diligence visits to selected candidate firms' offices. The Finance Committee may join in discussions with the finalist firms to clarify issues, the scope of services and fees. The Finance Committee may also invite certain finalists to return to make a presentation to the Executive Committee of the Foundation Board of Directors. It is anticipated the Board of Directors will approve the selection of the investment consultant firm at their regularly scheduled November 2015 Board meeting.

VI. TENTATIVE TIME TABLE

Lower Columbia College Foundation reserves the right to reject any and all Responses if it so chooses. The following is only a tentative time schedule for Lower Columbia College Foundation's search for a firm to provide investment management services. All dates are subject to modification by the Foundation.

Issuance of Request for Proposal	August 3, 2015
Questions Deadline	August 21, 2015 at 5:00 p.m. PST
Responses to Written Questions	August 28, 2015
Deadline to Submit Proposals	September 4, 2015 at 5:00 p.m. PST
Evaluation of Proposals	September 2015
Interviews with Finance Committee	October 2015
Due Diligence Visits	October 2015
Finalist Firms Presentations to Executive Committee	November 2015
Approval by Board of Directors	November 2015
Projected Commencement Date	January 1, 2016

VII. CRITERIA

A. Minimum Qualifications

All firms submitting Responses must meet the following minimum criteria:

1. Be a registered investment advisor under the Investment Company Act of 1940;
2. Agree to act as a "fiduciary" with respect to Lower Columbia College Foundation;
3. Provide that all management fees will be inclusive; no upfront or custodial fees will be charged; and no cost will be incurred to move between fund managers;
4. Have been in business for a minimum of ten (10) years; if the firm has not been in business for at least ten (10) years, the senior principals of the firm must have at least ten (10) years of experience with institutional clients at an investment consulting firm;
5. Employ a professional team or department dedicated to investment manager research and analysis;
6. Have individuals assigned to Lower Columbia College Foundation with a minimum of five (5) years professional experience in the investment consulting field; and
7. Disclose all conflicts of interest, all sources of revenue and all affiliations especially, but not limited to, investment managers contracted by the firm.

B. Selection Criteria

The criteria for selection will include, but are not limited to the following:

1. Stability and experience of investment consulting firm.

2. Stability and experience of the personnel assigned to Lower Columbia College Foundation.
3. Depth of knowledge, experience and resources to provide required services.
4. Independence of judgment and avoidance of conflicts of interest in providing services.
5. Proposed fee structure and renewal rates.
6. All management fees will be inclusive;
7. No upfront or custodial fees will be charged; and
8. No cost will be incurred to move between fund managers.

VIII. REPRESENTATIONS AND WARRANTIES

All respondents are required to submit an executed copy of the following Representations and Warranties as an attachment to the cover letter described in Section III of this RFP.

- A. Respondent warrants that it will not delegate its fiduciary responsibilities.
- B. Respondent warrants that it has completed, obtained, and performed all registrations, filings, approvals, authorizations, consents or examinations required by government or governmental authorities.
- C. Respondent warrants that it meets all of the minimum qualifications applicable to the firm under Section VII. A. of this RFP as follows (list each and specifically describe how your firm meets each item):
 1. Be a registered investment advisor under the Investment Company Act of 1940;
 2. Agree to act as a “fiduciary” with respect to Lower Columbia College Foundation;
 3. Have been in business for minimum of ten (10) years; if the firm has not been in business for at least ten (10) years, the senior principals of the firm must have at least ten (10) years of experience with institutional clients at an investment consulting firm;
 4. Employ a professional team or department dedicated to investment manager research and analysis;
 5. Have individuals assigned to Lower Columbia College Foundation with a minimum of five (5) years professional experience in the investment consulting field; and disclose all conflicts of interest, all sources of revenue and all affiliations.
- D. Respondent warrants that it has not paid and will not pay, has not given and will not give, any remuneration or thing of value directly or indirectly to Lower Columbia College Foundation or any of its Board members, officers, employees, or agents, or any third party except as disclosed to Lower Columbia College Foundation with its response to this RFP or otherwise, including, but not limited to, a finder’s fee, cash solicitation fee, or a fee for consulting, lobbying or otherwise.
- E. Respondent warrants that it has established ethics and conflicts of interest policies and procedures, and proper internal compliance controls are in place.

IX. QUESTIONNAIRE

Responses to the following questions should repeat the question and be answered in order. Limit responses to no more than one-half page if possible. If you have pre-printed material that answers the question, it may be submitted.

A. Firm Profile

1. Provide a description of your firm's endowment management organization including history, ownership, and percentage of revenues derived from investment consulting/endowment management to non-profit organizations.
2. List the names, experience, academic credentials, and background of your endowment management personnel.
3. Please provide your firm's (i.e., your clients') record of endowment performance. Please indicate whether results are net of investment management fees.
4. What are your firm's key strengths, competitive advantages, and weaknesses?
5. Indicate whether your firm is registered with the SEC or state agency, and if so, provide a copy of the form ADV part II.
6. Has your firm, its principals or affiliates ever (a) been the focus on a non-routine SEC inquiry or investigation or a similar inquiry or investigation from a federal, state or self-regulatory organization, or (b) been party to any litigation concerning fiduciary responsibility or other investment related matters? If yes to any of the above, please provide details.
7. What is the client turnover (gains and losses) of your firm in the past three years, with reasons for relationship termination, if any.
8. Provide three current client contacts for which similar investment management services are being performed, preferably with educational institutions or other non-profits.
9. Will your firm accept fiduciary responsibility relative to the services in the RFP?
10. Describe the firm's knowledge and experience in specific asset class(es) or strategy including private equity, real estate, ETFs, and alternative investments.

B. Services

1. List all of the firm's standard services provided in a typical investment management relationship, including the firm's endowment management philosophy and what approach will be utilized for Lower Columbia College Foundation in fulfilling the investment consultant objectives outlined in this RFP.
2. Describe the firm's process for analyzing a client's existing Investment Policy. Describe the firm's method for recommending modifications and monitoring the Investment Policy and strategy.
3. Describe the firm's asset/liability modeling capability, and portfolio structure analysis. Describe the manner in which the firm would assist Lower Columbia College Foundation in recommending changes and monitoring asset mix.
4. Describe the firm's process for evaluating a client's investment performance and how this is communicated to the client.

5. Describe the types of qualitative and quantitative factors you use in evaluating a portfolio manager.
6. How many investment managers do you currently track and describe the steps in your due diligence/search for manager selection.
7. Provide samples of investment performance reports.
8. Do you offer training of Foundation Finance Committee members as it relates to their fiduciary responsibilities?
9. Does your firm engage in large investment opportunities as a participant and provide access to your clients?
10. Can your firm provide custodial services?
11. Describe how you transition a new client to your services.

X. HYPOTHETICAL PORTFOLIO

Lower Columbia College Foundation requests that all Responses include a hypothetical portfolio based on the current College portfolio with recommendations for asset allocations and investment products. Please include in detail how your firm would propose to use this hypothetical portfolio to meet the College's objectives as stated in Section I. In this portfolio, the Respondent should include recommendations regarding long-term policy goals (net return after fees and inflation), risk controls (to mitigate down periods), diversification controls, and illiquidity controls.

XI. FEES

Please outline your fee structure for this plan. Indicate all services you propose to provide and their associated fees. The quote should include all travel and other out-of-pocket expenses. Please include a proposed sample contract.

XII. TERMS AND CONDITIONS

The Lower Columbia College Foundation makes no representations or warranties, expressed or implied, as to the accuracy or completeness of the information in the RFP and nothing contained herein is or shall be relied upon as a promise or representation, whether as to the past or the future. The RFP does not purport to contain all of the information that may be required to evaluate the RFP and any recipient hereof should conduct its own independent analysis of the Lower Columbia College Foundation and the data contained or referenced herein. The Lower Columbia College Foundation does not anticipate updating or otherwise revising the RFP. However, this RFP may be withdrawn, modified or re-circulated at any time at the sole discretion of the Lower Columbia College Foundation.

The Lower Columbia College Foundation reserves the right, at its sole discretion and without giving reasons or notice, at any time and in any respect, to alter these procedures, to change and alter any and all criteria, to terminate discussions, to accept or reject any Response, in whole or in part, to negotiate modifications or revisions to a Response and to negotiate with any one or more respondents to the RFP.

The Lower Columbia College Foundation is not and will not be under any obligation to accept, review or consider any Response to the RFP, and is not and will not be under any obligation to accept the lowest offer submitted or any offer at all. The Lower Columbia College Foundation is not and will not be under any obligation to any recipient of, or any respondent to, the RFP except as expressly stated in any binding agreement ultimately entered into with one or more parties, either as part of this RFP process, or otherwise.

This RFP is not an offer but a request to receive a Response. The Lower Columbia College Foundation will consider a Response as an offer to develop an agreement based upon the contents of the Response. Respondents agree that the contents of their Responses are valid for one year from the date of submission. The Lower Columbia College Foundation will not be liable for any cost incurred in the preparation of a Response and will not reimburse any respondents for their submission. Expenses related to the production of a Response are the sole responsibility of the Respondent.

The Lower Columbia College Foundation reserves the right to retain all Responses submitted, and to use any information contained in a Response except as otherwise prohibited by law. All proprietary or “trade secrets”, if clearly marked as such, will not be disclosed except as required by law.